



# The Consumer CEO's Compass: How to Steer Your C-suite Towards Success

# Executive and board confidence in their leadership teams hits a record low

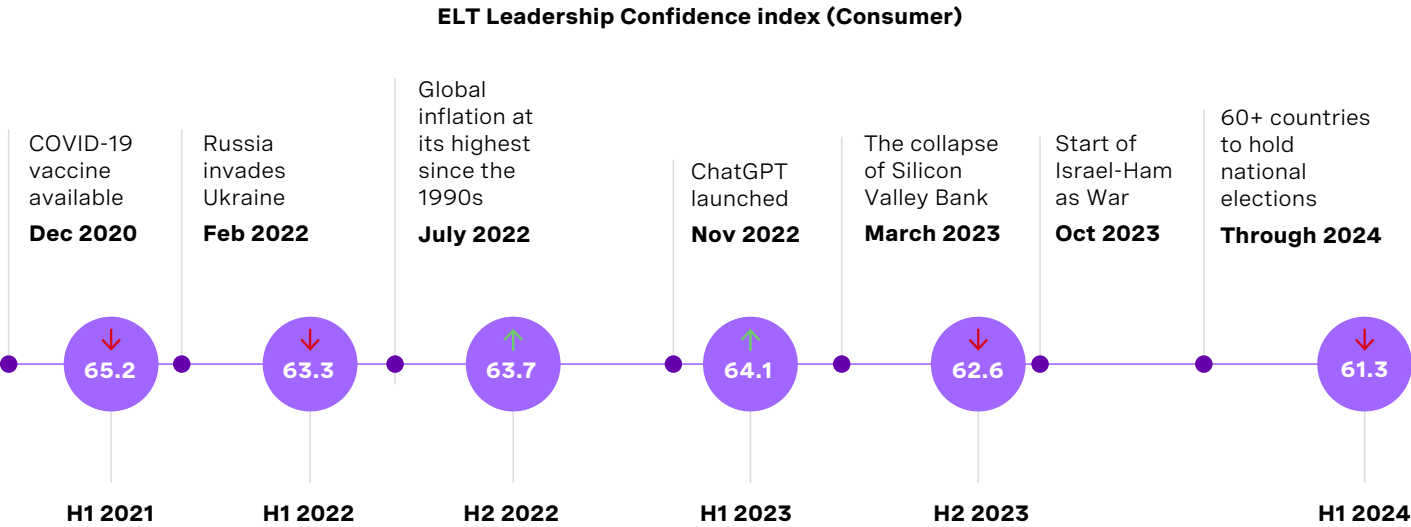
Over the past few years, consumer CEOs have faced consistent disruption that has created a constantly shifting reality. And while all CEOs are [battling geopolitical, economic, and technological uncertainties](#), consumer CEOs also need to navigate the accelerated rate at which consumer behavior is actively changing. For the consumer industry, change has become the new normal.

“Anticipation and planning for the new normal is always top of mind - volatility and constant change is our new daily reality.”

**Mark Clouse**  
CEO, Campbell's

As CEOs' C-suite teams are the driving force behind a company's performance, one might expect their C-suite' success to be a top priority. But concerningly, consumer executive's and board's confidence in their leadership teams (ELTs) has been declining, reaching a record low in the first half of 2024 (Figure 1).

**Figure 1: Consumer executive and board confidence in their ELTs (2021 - 2024)**



[The Leadership Confidence Index](#) captures the view of CEOs, C-suite leaders, next-generation leaders (those one to two levels below the C-suite), and board directors on the effectiveness of their organization's executive leadership team (ELT) across three constructs: capability, behavior, and issue management—all of which are in decline. Responses to 11 items are combined into an overall Leadership Confidence Index on a 100-point scale, as well as a sub-index on each of the three constructs

Source: Russell Reynolds Associates' Global Leadership Monitor | Base: Consumer- H1 2021 (n=314), H1 2022 (n=213), H2 2022 (n=260), H1 2023 (n=211), H2 2023 (n=469), H1 2024 (n=531).



## The five questions consumer CEOs can't afford to ignore

To address this, Russell Reynolds Associates identified five dimensions of leadership team health that are critical influences over C-suite performance. Augmenting these insights with qualitative learnings from our fifth annual CEO Perspectives on Talent series, we developed recommendations for consumer CEOs aiming to elevate their C-suites.

WHAT	WHO		HOW	
<b>Commitment &amp; Alignment</b>	<b>Composition &amp; Structure</b>	<b>Capability &amp; Skill</b>	<b>Culture &amp; Behavior</b>	<b>Continuity &amp; Succession</b>
The clarity of purpose and goals, and level of alignment across the C-suite	The size and structure of the C-suite, the diversity of the team, and role types	The relevance and quality of skills/experience toward forward-looking strategy & external issues	How well the team works together and enables the rest of the organization	The depth, diversity, and engagement of next-generation leadership talent



## Commitment and Alignment

*Does the team have a clear purpose and goal alignment that enables enterprise success?*

Easier said than done: Only one third of consumer CEOs are succeeding in setting a clear purpose and ensuring goal alignment

“Setting a clear purpose and ensuring goal alignment” is a line commonly found in CEO job specs. And while creating a vision and setting objectives is a requirement for all CEOs, according to our [Global Leadership Monitor](#), only 33% of leaders in the consumer space agree that their C-suites are truly committed to their organization’s purpose. This suggests that only a third of CEOs are succeeding in making sure that their entire ELT is, in fact, committed and aligned.

% of Consumer leaders selecting 'describes completely' on a 4 pt scale of their C-suite team

# 33%

**Displays high commitment to organizational purpose**

Source: Russell Reynolds Associates' Global Leadership Monitor | Base: Consumer: H2 2023 (n=1,016).

## Having an enterprise mindset creates a strong sense of commitment and alignment on goals

**Enterprise mindset** - Top performing CXOs prioritize actions and decisions that lead to the entire enterprise’s success, even if that means trading off on their own individual outcomes.

**North Star** - CEOs should ask themselves and their teams: “which star am I following?”. Ensuring that every person on the C-suite is aligned around the same star is paramount.

**Less is more** - Aligning a team around fewer - but achievable - goals creates clarity in decision-making and reinforces overall focus.



Having a purpose and a North Star is one of the key elements for a company’s ability to adapt to the evolving market conditions.”

**Roberto Marques**  
Former CEO, Natura



Nowadays, saying 'NO' to almost everything is the fastest track to success.”

**Carsten Keller**  
CEO, Chrono 24

## Composition and Structure

*Is the team's size and configuration suited to the organization's maturity and its progress on a strategic journey?*

### Most consumer leaders don't feel they have the right team around the table

Our research shows that a mere 16% of consumer leaders feel that the composition of their C-suite team aligns with the strategy of the organization. Related, only 19% of these leaders feel their C-suite represents a breadth of skills, background, and experience required for their future strategy. These are the lowest levels across the five leadership effectiveness factors that we analyzed.

% of Consumer leaders selecting 'describes completely' on a 4 pt scale of their C-suite team

16%

Composition of the C-suite team **aligns** with the vision/strategy of the organization as the organization matures

19%

C-suite represents a **breadth** of skills, background, and experience that contribute to strategic thinking

Source: Russell Reynolds Associates' Global Leadership Monitor | Base: Consumer: H2 2023 (n=1,016).

## A leadership team is a living organism - CEOs should play an active role in nurturing its composition and health

This isn't just about the size of an organization's C-suite—it's also about ensuring a diversity of roles, backgrounds, and thought. Leadership team composition isn't constant - it's something that CEOs and boards need to proactively monitor as their short and long-term priorities shift, rather than periodically intervening when its vitals are flashing red. C-suite composition needs to be aligned with the size and geographical spread of the organization, its culture and, most importantly, its forward-looking strategy.

## CEOs need to take a stand on diversity

While diversity is often seen as something that CHROs/Nomination Committees own, a CEO also needs to play a pivotal role in demonstrating visible leadership, as a role model and change agent. CEOs have an opportunity to distinguish their organizations and their own leadership by framing diversity and inclusion as a lever for achieving their company's strategic business objectives.

## Capability and Skills

*Are the skills represented on the team today relevant to driving our strategy?*

### CEOs need a team that excels in dealing with the relentless pace of change

As consumer behavior continues rapidly changing post-pandemic, technology innovations accelerate, sustainability concerns increase, and demographics shift, it's critical for CEOs to ensure they have a team with the right mix of skills to navigate this new level of complexity.



Agility - recognizing that things are constantly changing - rapidly course correcting and doing it with the least amount of friction within the organization and operating teams"

**Sean Connolly**  
CEO, Conagra

### All consumer CEOs want leaders with agility and digital mindsets on their top teams

Of course, every organization will have its own take on what are the most relevant skills needed for their top teams. Generally, it comes down to ensuring the C-suite team's capabilities and experiences - collectively and individually - align with the organization's strategy.

Every CEO we spoke to in our 2024 [CEO Perspectives on Talent series](#) noted two crucial skills they want to see on their teams:

**Adaptability** - A leader's ability to modify approaches and show resilience in the face of setbacks is what differentiates a good CXO from a great one.

**Harnessing digital** - A tech-fluent C-suite is key to unlocking new opportunities for innovation, efficiency, and competitive advantage. When it comes to [AI](#), while not everyone needs to be a deep expert, it's critical to understand how existing roles will evolve because of generative AI. According to RRA's [AI Leadership Labs](#),<sup>1</sup> to be able to spot AI-driven opportunities, everyone on the

C-suite should aim for '30 percent' of the AI awareness/knowledge.

"You only need about 30 percent fluency in a handful of technical topics to develop your digital mindset. We call this the 30 percent rule. To understand the 30 percent rule, think about learning a foreign language. To demonstrate mastery of the English language, a nonnative speaker must acquire roughly 12,000 vocabulary words. But to be able to communicate and interact effectively with other people in the workplace, all they need is about 3,500 to 4,000 words—about 30 percent of what it takes to achieve mastery."

- [An excerpt](#) from [The Digital Mindset: What It Really Takes to Thrive in the Age of Data, Algorithms, and AI](#) by Paul Leonardi and Tsedal Neeley.

## Culture and Behavior

*Does the team work well together and enable the rest of the organization?*

### Strong organizational culture can serve as the foundation that helps businesses navigate uncertainty

Our research shows that high-performing Consumer C-suite teams are stewards of organizational culture that enables trust, agility and ownership.

However, only 21% of consumer leaders feel that their C-suite displays a high level of trust that is visible across multiple levels of the organization. And only a slightly higher 30% of leaders feel their C-suite demonstrates accountability and ownership in organizational performance.

% of Consumer leaders selecting 'describes completely' on a 4 pt scale of their C-suite team

21%

Displays a **high level of trust** that is visible across multiple levels of the organization

30%

Demonstrates **accountability and ownership** in organizational performance

Source: Russell Reynolds Associates' Global Leadership Monitor | Base: Consumer: H2 2023 (n=1,016).

### Effective C-suite teams shape an organizational culture that fosters trust, agility, and a sense of ownership

**Trust** - While trust, of course, is key for open communication and collaboration among executives, what is critical in the context of the 'new normal' is that trusted relationships at the C-suite level accelerate decision-making - allowing them to move faster, enable constructive conflict, and foster agility.

**Agility** - Although hiring individuals who are intellectually agile is crucial, it's just as important to create a culture that empowers people to act and make decisions quickly. An

entrepreneurial approach (even within large organizations) and the ability to implement agile methods are main ingredients of C-suite success.

**Ownership** - It is crucial to build an environment where individuals feel empowered to take ownership and act independently. Clearly defining roles, decision-making authority, and effective delegation are key to fostering a culture of boldness and responsibility.



Building trust is key to a strong organizational culture, as it enables transparent conversations about how things are changing around us."

**Salman Amin**  
CEO, pladis



The name of the game in the next decade will be unpredictability and therefore agility and speed will become critical factors not only of success but also of survival."

**Gianluca Di Tondo**  
CEO, Barilla

## Continuity and Succession

*Do we have a deep, diverse, and engaged pipeline of next-generation leaders?*

The majority of C-suite leaders are open to opportunities outside their current employer—but most consumer organizations don't have proactive succession plans

CEOs know that a robust and strategic C-suite succession plan helps mitigate risks. However, this knowledge isn't always translating into action.

% of Consumer leaders

26%

Have a **proactive succession** plan, using a formal process and set of criteria

Source: Russell Reynolds Associates' Global Leadership Monitor | Base: Consumer: H1 2024 (n=179).

## Successful C-suite succession planning starts with CEO

Typically, when proactive succession planning takes place, the responsibility directly falls on CHROs and nomination committees. However, in speaking to the consumer organizations with long-term succession practices, we discovered that successful C-suite succession processes start with the CEO.

## Succession is part of your future-readiness strategy

The most forward-thinking organizations develop systematic approaches that help identify the skills needed

While our [Monitor](#) shows that a shocking **68% of consumer leaders are open to making a career change beyond their current employer**, it also finds that only 26% of consumer organizations are proactively succession planning for their C-suite. This disconnect opens consumer C-suites and their companies up to massive risk.

The good news: things are improving. Our data shows that more consumer organizations than last year are implementing succession planning for their mission-critical C-suite roles (2pp increase from 2023 to 2024 H1), and we expect this trend to only accelerate going forward.



We're always looking at the successor lists - these lists change more frequently than you might think. Continuous review allows for development to influence our thinking on succession."

**Brendan Foley**  
CEO, McCormick

to address future business needs. Benchmarking internal talent against the external market helps CEOs understand what is possible in the future and consider talent that has those skills, or the ability to develop them.

## C-suite succession planning is not a one-off exercise

Succession planning is not a one-off event - it is a process that allows for continuous development of the succession pipeline. As business objectives evolve, so should the pipeline of potential successors.

Development and succession decisions should be regularly reconsidered. Succession planning is not a destination, it is a way to travel!





## How can consumer CEOs create a high-performing, future equipped C-suite?

- [Identify, articulate, and harness your C-suite's collective capabilities](#)
- Develop and build leadership teams that can unlock the true potential of [Artificial Intelligence \(AI\)](#)
- [Assess and develop](#) your C-suite team
- [Build organizational culture](#) that fosters trust, agility, and a sense of ownership
- Find and develop the [next generation of C-suite leaders](#)

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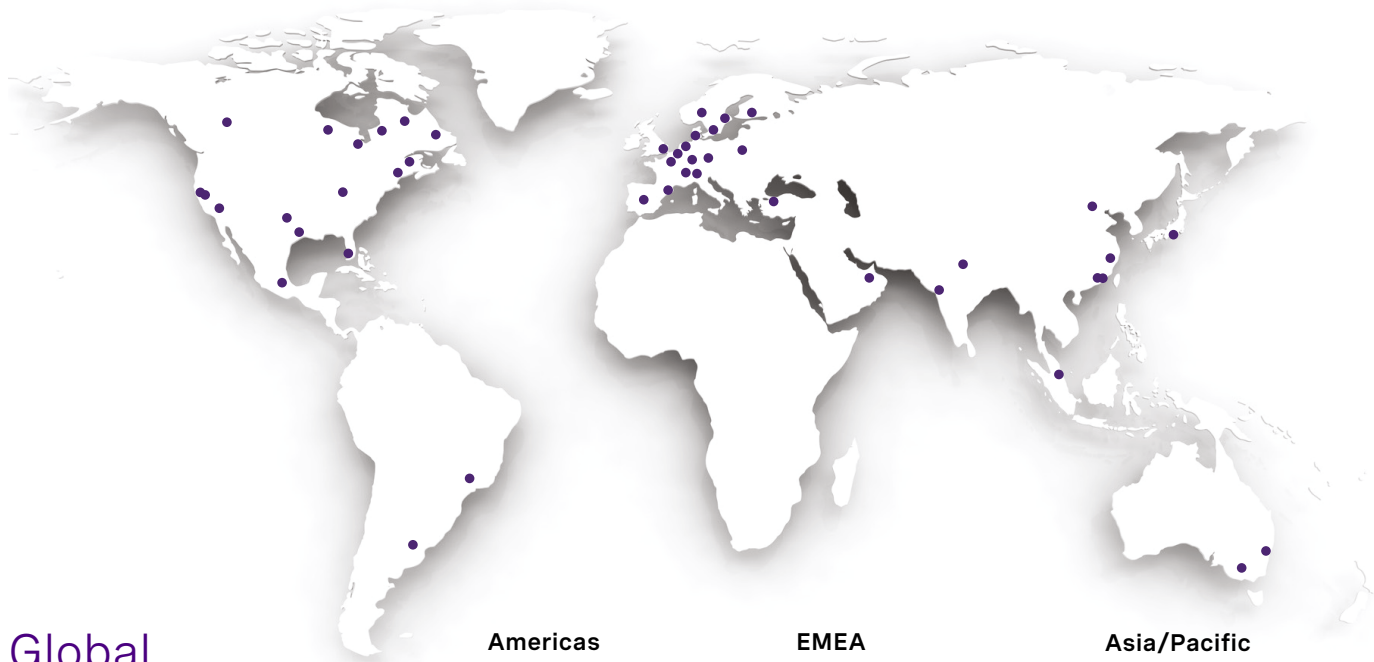
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# About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led

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